

REPORT OF: HOUSING, HEALTH AND ECONOMIC DEVELOPMENT
SERVICES MANAGER

TO: EXECUTIVE

DATE: 30th JUNE, 2016

Report Author: Julie Whittaker
Tel. No: (01282) 661038
E-mail: julie.whittaker@pendle.gov.uk

**PEARL JOINT VENTURE COMPANIES
DEVELOPMENT PROGRAMME 2016/17**

PURPOSE OF REPORT

To provide an update on progress of the PEARL companies and to inform members of the agreed programme of activity for 2016/17.

RECOMMENDATION

To note progress and the agreed 2016/17 development programme for the PEARL companies.

REASON FOR RECOMMENDATION

To keep the Executive informed of progress with the PEARL companies.

ISSUES

1. Our three Joint Venture Companies PEARL, PEARL2 and PEARL (Brierfield Mill) Ltd are now well established and each year the relevant boards agree a programme for the year ahead. At their meetings on 1st June the Boards agreed the 2016/17 Development Programme.

2015/16 Development Programme

2. During 2015/16 PEARL2 completed the refurbishment of 11 properties at Albert Street in Whitefield for Pendle Council. These were the final properties to be delivered in Whitefield.
3. Marketing continued on a number of completed schemes. The Booth Street development in Nelson was sold in January 2016. All the shop units at Shackleton Hall in Colne have been let. All but one of the Colne Shopping Centre units have now been let and terms have been agreed on the final unit. A further 4 properties have been sold at the Quaker Heights and

Holden Road developments in Brierfield with 6 more being under offer, leaving only 4 to sell across the two schemes.

4. It was intended to begin development of further housing schemes in 2015/16 but these were delayed due to several reasons:
 - The process to access Builders Finance Fund from the Homes and Communities Agency (HCA) has been slower than anticipated
 - Several schemes were being progressed with Together Housing. The Government has introduced a number of changes that affect rent levels and ability of Registered Providers to fund new affordable rent schemes so Together have been reviewing their business model before committing to any new developments
 - Viability remains a challenge in many parts of Pendle, particularly on brownfield sites.

Where possible those schemes will be brought forward in 2016/17.

2016/17 Development Programme

5. Clitheroe Road, Brierfield is now close to a start on site after a number of revisions to the appraisal to make it viable. 46 houses and bungalows will be developed for open market sale, to be delivered in 2 phases. Everything is in place to begin the development of Phase 1, which includes 36 properties, subject to receiving the final funding agreement for the Builders Finance Fund from the Homes and Communities Agency. The site is being fenced off ready for development to get underway.
6. Carry Lane, Colne will see the development of 12 bungalows for Peter Birtwistle Trust and 21 open market houses for PEARL2. A public meeting was held on 16th May in connection with the full planning application for the 21 units and the application was approved on 9th June. Funding is in place for the Trust's properties and we will be seeking loan funding from the HCA to develop the PEARL2 properties. HCA have recognised that the process for accessing funding from Builders Finance Fund has not been as streamlined as they would like and a new Homebuilding Fund is to be launched shortly, which should make the funding easier to access.
7. A range of design options have been produced for Bunkers Hill and Bright Street in Colne but so far it is has not be possible to develop viable schemes on these sites. It may still be possible to develop these sites as longer term pipeline schemes and Together Housing have indicated that they may still interested in the Bright Street site, subject to obtaining funding towards a scheme.
8. Two new housing opportunities came forward during 2015/16 that are being progressed. Both Oak Mill in Colne and Brook Shed in Earby are privately owned but the owners have indicated a willingness to work with PEARL2 to bring forward these brownfield sites for housing development. Feasibility work is underway on both sites.
9. During the last year significant effort has gone into putting together a funding and development package for Brierfield Mill (Northlight). £4.2m of Local Growth Funding has been agreed by Lancashire Enterprise Partnership towards a £32m scheme which includes leisure and cultural uses, training, workspace, residential and a hotel. Lancashire County

Council have approved £1.5m of capital funding to match the £1.5m that Pendle is putting into the scheme. A further £1.5m has been secured from the LEPs Skills Capital Funding, Lancashire County Council and Nelson & Colne College to support the relocation of Lancashire Adult Learning from Chorley.

10. Burnley FC in the Community are securing funding from a variety of sources to develop a leisure facility in the High Bay Warehouse.
11. Enabling and strip out works are currently underway and work is due to start on infrastructure and the leisure facility in July and the new facility for Lancashire Adult Learning in August.
12. Further progress will be made on the other elements of the Northlight scheme over the year, including the relocation of T2000 from their existing base in Nelson and provision of a cyber security centre as well as progressing with the residential and hotel elements. Once works have started on the first elements of the scheme it will give greater confidence to other potential users about the deliverability of the scheme.
13. Attached as Appendix 1 is the agreed Development Programme for 2016/17 across the PEARL companies, showing milestones for delivery of schemes.

PEARL Group
Approved Development Programme 2016/17

Scheme	Activity	Milestone Dates
Current schemes		
ACE Centre (PEARL)	Continue to market the building	Ongoing
Shackleton Hall (PEARL)	Continue to market any shop units which become vacant and market the Arcade for sale	Ongoing
Colne Shopping Centre (PEARL)	Continue to market the remaining vacant unit	Ongoing
Quaker Heights/Holden Road (PEARL2)	Continue to market remaining properties on Quaker Heights and Holden Road	Ongoing
Schemes due to start in 2016/17		
Clitheroe Road (PEARL2)	Start on site with first phase (36 units)	May 2016
46 houses/bungalows	Preparatory work (utilities and remediation) completed	Aug 2016
Carry Lane (PEARL2)	Sign a Development Agreement with Peter Birtwistle Trust	June 2016
33 houses/bungalows (12 for the Trust and 21 for PEARL2 – subject to planning)	Start on site with development of properties for the Trust	Aug 2016
	Submit Builders Finance Fund application for PEARL properties	July 2016
Oak Mill, Colne (PEARL2)	Complete feasibility plan and appraisal	July 2016
	Agree a Joint Venture arrangement with the owners if applicable	Aug 2016
Brook Shed, Earby (PEARL2)	Complete feasibility plan and appraisal	June 2016
	Agree a development proposal with the existing owners if applicable	Sept 2016
Brierfield Mill (Northlight)		
Enabling/Infrastructure	Start on site with enabling works	April 2016
	Start on site with infrastructure works	July 2016
Growth Deal funding	Sign funding agreement	June 2016

Scheme	Activity	Milestone Dates
	First quarterly claim submitted	June 2016
Leisure Box (Burnley FC in the Community)	All funding in place	June 2016
	Start construction work	July 2016
	Construction work completed	July 2017
Lancashire Adult Learning (LCC/Nelson & Colne College)	All funding in place	June 2016
	Start construction work	Aug 2016
Cyber Security Centre	All funding in place	Aug 2016
	Start construction work	Oct 2016
Hotel development	Demand study completed	May 2016
Residential	Sign agreement with Housing partner	July 2016
Adjoining sites	Make Compulsory Purchase Order	May 2016
	Objection period ends (further milestones will depend upon whether there are objections received)	June 2016
In Situ	Provide support with funding bids to develop an arts facility	Ongoing
Super Slow Way	Work with the Steering Group to support activities at the mill	Ongoing
Pipeline schemes		
Former Colne Health Centre	Look at options to develop a commercially viable scheme for the site	TBD
Lomeshaye Extension	Work with owners and funders to devise a scheme for the southern section of the site	TBD

Scheme	Activity	Milestone Dates
Bankhouse Road, Bradley	Develop a viable housing scheme	TBD
Bright Street, Colne	Work with Together Housing to develop a viable housing scheme	TBD
Bunkers Hill Phase 2	Develop a viable housing scheme	TBD
New opportunities		
Site and Funding opportunities	Identify potential sites and funding opportunities, as they arise, to deliver economic and housing schemes	Ongoing